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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART 111**

|                 |
|-----------------|
| SEC FILE NUMBER |
| 8- 48754        |

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**Stonecrest Capital Markets, Inc.**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY

FIRM I.D. NO.

**300 W. 6<sup>th</sup> Street, Suite 1520**

(No. and Street)

**Austin**

**TX**

**78701**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

**Brent Hippert**

**(704) 375-2966**

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in the Report\*

**Rubio CPA, PC**

(Name - if individual, state last, first, middle name)

**900 Circle 75 Parkway SE, Suite 1100**

(Address)

**Atlanta**

(City)

**Georgia**

(State)

**30339**

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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### OATH OR AFFIRMATION

I, **Brent Hippert**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Stonecrest Capital Markets, Inc.**, as of **December 31**, **2017**, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

**KATHARINE CAROTHERS**  
Notary Public-Maryland  
Baltimore County  
My Commission Expires  
October 02, 2019

Signature \_\_\_\_\_

Title

**Notary Public**

**This report \*\* contains (check all applicable boxes):**

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

*\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17z-5(e)(3).*

# **Stonecrest Capital Markets, Inc**

**REPORT PURSUANT TO RULE 17a-5**

**FINANCIAL STATEMENTS  
AND  
REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

**FOR THE YEAR ENDED  
DECEMBER 31, 2017**

**Stonecrest Capital Markets, Inc.**  
**Contents**

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Report of Independent Registered Public Accounting Firm

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Financial Statements

Statement of Financial Condition

Statement of Operations

Statement of Changes in Liabilities Subordinated to Claims of General Creditors

Statement of Changes in Shareholder' Equity

Statement of Cash Flows

Notes to Financial Statements

Supplementary Schedules

I. Computation of Net Capital Under Rule 15c3-1

II & III. Management Statement from Exemption 15c3-3

Independent Accountants' Report on Exemption

Exemption Report

**REPORT OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholder of  
Stonecrest Capital Markets, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Stonecrest Capital Markets, Inc. (the "Company") as of December 31, 2017, the related statements of operations, changes in Stockholder's equity, and cash flows for the year then ended and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the company's auditor since 2015.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement to the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis of our opinion.

**Supplemental Information**

The information contained in Schedules I, II and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the information in Schedules I, II and III reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the accompanying schedules. In forming our opinion on the accompanying schedules, we evaluated whether the supplemental information, including its form and content, is

presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the aforementioned supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

February 28, 2018  
Atlanta, Georgia

A handwritten signature in black ink, appearing to read "Rubio CPA, PC", written in a cursive style.

Rubio CPA, PC

**Stonecrest Capital Markets, Inc.**  
**Statement of Financial Condition**  
**December 31, 2017**

**ASSETS**

|   |                   |
|---|-------------------|
| Cash  | \$ 34,513         |
| Deposit with clearing broker  | 100,000           |
| Receivable from clearing broker                                     | 334,359           |
| Loan Receivable - Employees   | 128,487           |
| SDN Collateral Market Value   | 275,000           |
| Prepaid expenses  | 37,714            |
| Furniture and equipment, net of accumulated depreciation of \$1,098 | 5,719             |
| Other Assets  | 6,400             |
| Total assets  | <u>\$ 922,192</u> |

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**LIABILITIES:**

|   |                |
|---|----------------|
| Accounts payable and accrued expenses                   | \$ 56,303      |
| Due to parent   | 20,762         |
| Income taxes payable                                    | 21,000         |
| Liabilities subordinated to claims of general creditors | 275,000        |
|   | <u>373,065</u> |

**STOCKHOLDER'S EQUITY:**

|   |                          |
|---|--------------------------|
| Common stock - \$.01 par value; 100,000 shares authorized |                          |
| 1,200 shares issued and outstanding                       | 12                       |
| Additional paid-in capital                                | 756,727                  |
| Accumulated (deficit)                                     | <u>(207,612)</u>         |
| <b>Total Stockholder's Equity</b>                         | <b>549,127</b>           |
| Total Liabilities and stockholders' equity                | <u><u>\$ 922,192</u></u> |

The accompanying notes are an integral part of these financial statements.

**Stonecrest Capital Markets, Inc.**  
**Statement of Operations**  
**For The Year Ended December 31, 2017**

**REVENUES:**

|                            |                  |
|----------------------------|------------------|
| Commissions and fees       | \$ 2,474,170     |
| Principal Transactions     | 315,037          |
| Mutual fund and 12b-1 fees | 115,485          |
| Interest income            | 11,240           |
| Total revenues             | <u>2,915,932</u> |

**EXPENSES:**

|  |                  |
|--|------------------|
| Commissions and payroll                    | 2,086,115        |
| Technology and communication               | 277,175          |
| Occupancy                                  | 130,650          |
| Clearing charges                           | 69,886           |
| Regulatory fees                            | 56,313           |
| Interest expense                           | 8,181            |
| Other general and administrative operating | 193,585          |
| Total expenses                             | <u>2,821,905</u> |

|                              |               |
|------------------------------|---------------|
| Net Income before income tax | 94,027        |
| Income taxes                 | <u>21,000</u> |

|                   |                         |
|-------------------|-------------------------|
| <b>NET INCOME</b> | <b><u>\$ 73,027</u></b> |
|-------------------|-------------------------|

The accompanying notes are an integral part of these financial statements.



**Stonecrest Capital Markets, Inc.**

**Statement of Changes in Liabilities Subordinated to Claims of General Creditors**  
**Year Ended December 31, 2017**

---

|   |                   |
|---|-------------------|
| Subordinated borrowings at December 31, 2016        | \$ 150,000        |
| Increases:  |                   |
| Issuance of subordinated notes                      | 275,000           |
| Decreases:  |                   |
| Conversion to paid in capital of subordinated notes | <u>(150,000)</u>  |
| Subordinated borrowings at December 31, 2017        | <u>\$ 275,000</u> |

The accompanying notes are an integral part of these financial statements.

**Stonecrest Capital Markets, Inc.**  
**Statement of Changes in Stockholder's Equity**  
**For the Year Ended December 31, 2017**

|  | <u>Common Stock</u> |               | <u>Additional</u>                | <u>Accumulate</u> |
|--|---------------------|---------------|----------------------------------|-------------------|
|  | <u>Shares</u>       | <u>Amount</u> | <u>Paid in</u><br><u>Capital</u> | <u>(Deficit)</u>  |
| Balance, December 31, 2016                             | 1,200               | \$ 12         | \$ 469,508                       | \$ (280,61        |
| Contributions from stockholder                         |                     |               | 135,000                          |                   |
| Conversion of subordinated borrowings<br>plus interest |                     |               | 152,219                          |                   |
| Net Income   |                     |               |                                  | 73,01             |
| Balance, December 31, 2017                             | <u>1,200</u>        | <u>\$ 12</u>  | <u>\$ 756,727</u>                | <u>\$ (207,61</u> |

**Stonecrest Capital Markets, Inc.**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2017**

**OPERATING ACTIVITIES**

|  |                  |
|--|------------------|
| Net Income   | \$ 73,027        |
| Adjustments to reconcile Net Income<br>to net cash provided by operations: |                  |
| Deprecation  | 945              |
| Due to related party   | 20,762           |
| Receivable from clearing broker  | (250,763)        |
| Accounts Payable and accrued expenses                                      | (15,258)         |
| Loans receivable - employees   | (113,487)        |
| Commission receivable  | 4,226            |
| Prepaid Expense  | (5,102)          |
| Other Assets   | (4,900)          |
| Income Taxes Payable   | 21,000           |
| Net cashused by Operating Activities                                       | <u>(269,550)</u> |

**FINANCING ACTIVITIES**

|   |                |
|---|----------------|
| Paid-in Capital                           | 135,000        |
| Net cash provided by Financing Activities | <u>135,000</u> |

**Net cash increase for period** (134,550)

**Cash at beginning of period** 169,063

**CASH AT END OF YEAR** 34,513

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

|               |                 |
|---------------|-----------------|
| Interest Paid | <u>\$ 8,181</u> |
|---------------|-----------------|

**Non-Cash financing activity**

|   |                   |
|---|-------------------|
| Shareholder contributions arising from forgiveness of<br>subordinated loan and interest | <u>\$ 152,219</u> |
| Borrowings under secured subordinated loan  | <u>\$ 275,000</u> |

The accompanying notes are an integral part of these financial statements.

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## **Stonecrest Capital Markets, Inc.**

### **Notes to Financial Statements**

***For the year ended December 31, 2017***

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#### **Note 1-Organization and Summary of Significant Accounting Policies and Activities**

##### ***Organization***

Stonecrest Capital Markets, Inc. (the "Company") was incorporated in the state of North Carolina on October 20, 1995. The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's principal business activity is brokerage of securities.

During 2016, Stonecrest Holdings, LLC ("Stonecrest"), purchased all of the shares of the Company. Business activities have expanded since the purchase. The Company intends to seek to act as broker across fixed-income sectors, including municipal and government bonds, corporate debt, and interests in mortgages and other receivables.

The Company changed its name from Redwine & Company, Inc to Stonecrest Capital Markets, Inc in September of 2016.

##### ***Concentrations of Credit Risk***

The Company is engaged in various trading and brokerage activities in which the counterparties primarily include broker/dealers, banks, other financial institutions and the Company's own customers. In the event the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

In addition, the Company's cash is on deposit at one financial institution and the balance at times may exceed the federally insured limit. The Company believes it is not exposed to any significant credit risk to cash.

##### ***Cash and Cash Equivalents***

The Company considers all short-term non-equity investments with an original maturity of three months or less to be cash equivalents.

##### ***Recognition of Revenue***

Commissions earned on sales and purchases of securities for customers are recorded on the date the transaction is executed, otherwise referred to as the "trade date".

##### ***Income Taxes***

Income taxes are accounted for by the asset/liability approach in accordance with FAS- 109 (Accounting for Income Taxes). Deferred taxes represent the expected future tax consequences when the reported amounts of assets and liabilities are recovered or paid. They arise from differences between the financial reporting and tax basis of assets and liabilities and are adjusted for changes in tax laws and tax rates when those changes are enacted. The provision for income taxes represents the total of income taxes paid or payable for the current year, plus the change in deferred taxes during the year. Deferred taxes at December 31, 2017 are not significant.

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## **Stonecrest Capital Markets, Inc.**

### **Notes to Financial Statements**

Under the provisions of FASB Accounting Standards Codification 740-10, Accounting for Uncertainty in Income Taxes, the Company is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. A tax position includes an entity's status and the decision not to file a return. The Company has evaluated each of its tax positions and has determined that no provision or liability for income taxes is necessary.

The Company has not recorded a deferred tax asset reflecting any benefit of future tax benefits as in the judgment of the Company the utilization is more likely than not to be realized.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***New Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for 2018. Management is currently evaluating the effect this pronouncement will have on the financials statements and related disclosures.

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2019. A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than 12 months. Management is currently evaluating the effect this pronouncement will have on the financials statements and related disclosures.

#### ***Accounts Receivable***

Accounts receivable consist of trade receivables or commissions earned. The Company regularly reviews its accounts receivable for bad debts. The review for bad debts is based on an analysis of the Company's collection experience, customer worthiness, and current economic trends.

#### **Note 2-Deposit and Accounts with Clearing Firm**

The Company clears certain of its proprietary and customer transactions through Pershing, its clearing firm, on a fully disclosed basis. The clearing firm requires that the Company maintain a minimum balance of \$100,000, which serves as a "good faith" deposit. As of December 31, 2017, the Company has \$100,000 on deposit with the clearing firm.

#### **Note 3-Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission ("SEC") uniform net capital rule (Rule 15c3-1), which requires the maintenance of minimum net capital and also requires a broker to maintain a ratio of aggregate indebtedness to net capital not to exceed 15 to 1.

As of December 31, 2017, the Company's net capital was \$645,808, which was \$595,808 in excess of its required net capital of \$50,000.

The Company's net capital ratio (aggregate indebtedness to net capital) was .15 to 1.

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## Stonecrest Capital Markets, Inc.

### Notes to Financial Statements

#### Note 4 -Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the date of the statement of financial condition, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the date of the statement of financial condition but arose after that date. Management has reviewed events occurring through the date the financial statements were available to be issued. No such events have occurred through that date.

#### Note 5 -Pledged Collateral and Liabilities Subordinated to the Claims of General Creditors

The \$275,000 represents loans subordinated to the claims of general creditors as of December 31, 2017 that is collateralized by a restricted brokerage account containing publicly traded common stock. . The subordinated loans are covered by agreements approved by the Financial Industry Regulatory Authority (FINRA) and are thus available in computing net capital under the Securities and Exchange Commission's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid. The subordinated borrowings are with related parties and bear interest at 5%.

The subordinated notes mature in 2020.

#### Note 6 -Lease Commitment

Operating Leases: The Company leases office premises under operating leases. The Company's commitment under its office premises operating leases is approximately the following:

|      |                  |
|------|------------------|
| 2018 | 74,000           |
| 2019 | 58,000           |
| 2020 | 60,000           |
| 2021 | <u>46,000</u>    |
|      | <u>\$238,000</u> |

Rent expense for the year ended December 31, 2017 was approximately \$127,500.

#### Note 7 – Related Party

The Company is affiliated with a Related Party, a sister entity, that is a registered Investment Advisor. During 2017 the Company collected advisory fees of approximately \$120,000 from its clearing broker dealer that were remitted to the related entity and paid Company's brokers approximately \$78,000 of commissions earned by the brokers from activity in the Related Party. The balance due to the related party at December 31, 2017 arising from this arrangement was \$20,762

#### Note 8 – Concentrations

Approximately 50% of revenues earned in 2017 were earned from one customer.

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**Stonecrest Capital Markets, Inc.**  
**Notes to Financial Statements**

Note 9 – Income Taxes

The provision for income taxes is summarized as follows:

|                            |                 |
|----------------------------|-----------------|
| Current income tax expense | \$20,000        |
| Deferred income tax        | -               |
| Income taxes expense       | <u>\$20,000</u> |

The Company utilized a net operating loss carry-forward from the prior year of approximately \$3,600 during 2017.

Deferred income taxes are provided for the temporary differences between the assets and liabilities for financial and income tax purposes. There were no significant temporary differences as of December 31, 2016.

**Stonecrest Capital Markets, Inc.**  
**Schedule I - Computation Of Net Capital Under Rule 15c3-1**  
**Of The Securities And Exchange Commission**  
**December 31, 2017**

|   |                          |
|---|--------------------------|
| Stockholder's Equity per Statement of Financial Condition       | \$ 549,127               |
| Subordinated debt allowable for net capital                     | 275,000                  |
| Total capital and allowable credits                             | <u>824,127</u>           |
| Less: Nonallowable assets                                       | <u>178,319</u>           |
| Net capital   | <u><u>\$ 645,808</u></u> |
| Aggregate indebtedness - Less subordinated loans                | <u><u>\$ 98,064</u></u>  |
| Basic net capital requirement (\$50,000 minimum)                | <u><u>\$ 50,000</u></u>  |
| Minimum net capital requirement 6.67% of aggregate indebtedness | <u>6,538</u>             |
| Excess net capital  | <u><u>\$ 595,808</u></u> |
| Ratio aggregate indebtedness to net capital                     | <u><u>15%</u></u>        |

Reconciliation with Company's computation of Net Capital included  
in Part IIA of Form X-17A-5 as of December 31, 2017

|  |                       |
|--|-----------------------|
| Net Capital as reported part IIA of Form X-17a-5 | \$ 666,808            |
| Effect of income tax expense adjustment          | <u>(21,000)</u>       |
| Net Capital as reported above                    | <u><u>645,808</u></u> |



**Stonecrest Capital Markets, Inc.  
Schedules II & III - Computation for Determination of Reserve  
Requirements and Information Relating to the Possession and  
Control Requirements Under Rule 15c3-3  
December 31, 2017**

**SCHEDULE II**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER  
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 pursuant to paragraph (k)(2)(ii) of the Rule.

**SCHEDULE III**

**INFORMATION RELATING TO THE POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE  
COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 pursuant to paragraph (k)(2)(ii) of the Rule.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of  
Stonecrest Capital Markets, Inc.

We have reviewed management's statements, included in the accompanying Broker Dealers Annual Exemption Report in which (1) Stonecrest Capital Markets, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Stonecrest Capital Markets, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(ii) (the "exemption provisions"); and, (2) Stonecrest Capital Markets, Inc. stated that Stonecrest Capital Markets, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Stonecrest Capital Markets, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Stonecrest Capital Markets, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii), of Rule 15c3-3 under the Securities Exchange Act of 1934.

February 28, 2018  
Atlanta, GA



Rubio CPA, PC

# STONECREST CAPITAL MARKETS, INC.

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## Stonecrest Capital Markets, Inc Exemption Report

Stonecrest Capital Markets, Inc (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

Stonecrest Capital Markets, Inc. claims an exemption from the provisions of Rule 15c3-3 under the Securities and Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

Stonecrest Capital Markets, Inc. met the aforementioned exemption provisions throughout the most recent year ended December 31, 2017 without exception.

I, Brent E. Hippert, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.



By: Brent Hippert

Title: CFO

February 28, 2018

300 W. 6<sup>TH</sup> STREET, SUITE 1520, AUSTIN, TX 78701

SECURITIES OFFERED THROUGH STONECREST CAPITAL MARKETS, INC. MEMBER FINRA/SIPC  
INVESTMENT ADVISORY SERVICES OFFERED THROUGH STONECREST ADVISORS, INC.. A STATE-REGISTERED INVESTMENT ADVISOR

# RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway  
Suite 1100  
Atlanta, GA 30339  
Office: 770 690-8995  
Fax: 770 980-1077

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)

To the Stockholder of  
Stonecrest Capital Markets, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2017, which were agreed to by Stonecrest Capital Markets, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Stonecrest Capital Markets, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Stonecrest Capital Markets, Inc.'s management is responsible for Stonecrest Capital Markets, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Companies Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2017, with the amounts reported in Form SIPC-7 for the year ended December 31, 2017, noting no differences;
3. Compared adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences; and,
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

February 28, 2018  
Atlanta, GA



Rubio CPA, PC